

## SPF's IDC Distribution Policy >>>

Each year after operating expenses are met, the remaining IDC revenue is distributed as follows:

1. 5% is allocated to the HSU President's Office
2. Of the remaining balance; 15% is allocated to the Office of Research & Sponsored Programs
3. Of the remaining balance, the rest is distributed to qualifying grants based on the amount of spending processed in that fiscal year:
  - 50% to the College/Unit that the respective grant was under
  - 20% to the Department/Center or Institute that the respective grant was under
  - 30% to the Faculty/Staff's PI Research Trust



Funds allocated through the IDC Distribution Policy can be used for any research related expenses such as hiring students, research related travel, lab equipment, or purchasing supplies.

## How Do We Compare >>>

IDC rates vary from campus to campus. Comparatively Humboldt State University is at the lower end of the range:

UC Berkeley  
59% on campus  
26% off campus

Arizona State University  
57% on campus  
26% off campus

San Francisco State University  
55% on campus  
26% off campus

Oregon State University  
48.5% on campus  
26% off campus

**Humboldt State University**  
**47.5% on campus**  
**26% off campus**

CSU Bakersfield  
47% on campus  
22% off campus

CSU Chico  
41.5% on campus  
18.5% off campus

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**HUMBOLDT STATE UNIVERSITY**

# INDIRECT COSTS

## What You Should Know



The Office of Research & Sponsored Programs Foundation

## What Is IDC? >>>

Indirect Costs (IDC) reimburse the university and auxiliary for expenses incurred in supporting projects funded by grants or contracts from outside agencies.

Funders/Sponsoring Agencies recognize that recipient organizations incur indirect costs for common or joint objectives and that cannot be readily identified with one particular grant or contract.

Examples of Indirect Costs are the expenses incurred for various administrative services provided by the research auxiliary, such as:

- Departmental administrative support (e.g. Post-Award staff)
- Use of university services such as libraries, laboratories, classroom facilities, computer labs, and student services
- General and specialized insurance coverage
- Compliance and regulatory monitoring
- Personnel & Payroll administration
- Accounts Payable services
- Accounting services
- Independent Audit services (Required by most granting agencies)
- Legal services

All of these indirect costs must be charged to grants and contracts based upon equitable and reasonable methods as determined by the Federal government.

## Humboldt State University Sponsored Programs Foundation

The HSU Sponsored Programs Foundation (HSU SPF) can only exist if it can receive enough Indirect Cost revenue to support its operations and maintain a reserve balance (checking account) to pay for research expenses in advance of funder reimbursement.

The federal government uses “Facilities and Administration (F&A)” while other funding entities use “overhead” or “administration” or “indirect cost rate” all as a synonym for **Indirect Costs**.

HSU SPF maintains an approved indirect cost rate from the cognizant Federal Agency Department of Health & Human Services (DHHS) that is based on an audit of actual expenditures and is recognized by all federal agencies.

### Indirect Rate Policy >>>

Different funding agencies may have IDC rates other than the federally negotiated rates. In some cases the funding agency has a published policy that limits the IDC to a rate below the HSU SPF Federal rate.

When this occurs, proposals must provide written documentation (usually a copy of the funding source’s written policies), and use the maximum published rate allowed by that particular funder.

All proposals being submitted at *less than the federal rate* must be approved by the HSU SPF Executive Director as part of the Institutional Routing process.

## Annual IDC Distribution >>>

The main source of revenue for HSU SPF is the collected IDC from grants & contracts. It is used to pay for General Operating expenses, supporting a cash reserve, and providing budgeted university use funds.

*After* all those costs have been expensed, the remaining funds are considered for campus-wide distribution by HSU SPF’s Board of Directors. As approved, this remaining money is returned to the University through SPF Research Trust accounts.

After the end of each fiscal year has been closed out, an analysis is done to determine the amount of remaining indirect revenue available to be distributed.

Principal Investigators (PI’s) are eligible to receive an allocation if their grants qualify. A qualifying grant is any grant/contract that had an effective indirect rate of at least 15% or greater. An effective indirect cost rate is defined as the total indirect costs budget divided by total direct budgeted expenses.

### History of IDC Returned Back to HSU

2018/19 =	\$1,067,876
2017/18 =	\$1,201,262
2016/17 =	\$1,028,328
2015/16 =	\$1,012,864
2014/15 =	\$403,083
2013/14 =	\$140,183
2011/12 =	\$70,995

Total Returned to Campus = **\$4,924,591**

The current HSU SPF approved rate is:

- **47.5 % for all on campus programs**
- **26 % for all off campus programs**